

2012

IOWA CAUCUS








ECONOMY

Iowa’s unemployment rate, at 6 percent, is one of the lowest in the country. But that’s higher than usual for this state. That, coupled with a historically high national jobless rate, a damaged housing market and low consumer confidence has made the economy a singularly important issue in this year’s Republican presidential nomination contest.

All the Republicans in the race have been harshly critical of President Barack Obama’s 2009 stimulus package, and they reject the idea of using government spending to fill the gap during times when private demand for goods and services is down.

The GOP candidates have all touted cuts in federal spending and taxes as central elements of their economic plans. But within that framework, there are some differences in emphasis and substance.

THE CANDIDATES’ VIEWS

 Bachmann	 Cain	 Gingrich	 Paul	 Perry	 Romney	 Santorum
Allow foreign profits to come home tax free until Dec. 31 and tax at 5 percent after. Cut spending and phase out Fannie Mae and Freddie Mac; repeal health care reform law and financial industry regulations known as Dodd-Frank. Enforce immigration laws. Bachmann opposed nearly \$900 billion federal stimulus in early 2009 but voted for \$192 billion plan in July. She has also urged expansion of domestic energy supplies as a way to boost the number of American jobs.	His 9-9-9 proposal would institute 9 percent flat taxes on individual income, business and sales. There would be no payroll, estate or capital gains taxes. The plan is the centerpiece of his economic platform. He also proposes reducing regulations and says the market will regulate itself, aided by “the watchful eyes of investors and consumers.” Cain supported Wall Street bailout but says it was executed poorly.	Extend Bush-era tax cuts, eliminate capital gains tax and cut corporate rate to 12.5 percent. Move toward optional 15 percent flat individual rate. Repeal financial industry regulations known as Dodd-Frank, as well as accounting regulations enacted in 2002; restrict Federal Reserve’s role to controlling inflation, not achieving maximum employment. Doing both, he says, weakens the dollar. Gingrich also has been critical of Fed chief Ben Bernanke, saying he’d fire him.	Return to the gold standard, eliminate the Federal Reserve and let gold and silver be used as legal tender. U.S. monetary policy has devalued the dollar, Paul says. Set corporate tax rate at 15 percent, extend Bush-era tax cuts and end inheritance tax. He also would eliminate most federal regulations. Paul has proposed cutting the federal budget by \$1 trillion, or more than 25 percent, in a single year. He also would eliminate five federal departments.	Optional flat tax of 20 percent, cut corporate rate to 20 percent. Moratorium on pending regulations; review all put in effect since 2008. Sunset regulations unless Congress explicitly renews them. Repeal health care reform, Dodd-Frank and 2002 accounting regulations. Cap federal spending, demand balanced budget amendment. Allow overseas profits to be taxed at 5.25 percent, down from current 35 percent. Perry also would rid the tax code of renewable energy subsidies, including ethanol.	Cut corporate tax rate to 25 percent, keep marginal rates as they are while pursuing, long term, a flatter structure; eliminate inheritance tax. Pursue more trade deals, less regulation, increase energy production and move away from “unhealthy green jobs obsession.” Replace jobless benefits with unemployment savings accounts. Eliminate Dodd-Frank, revise accounting regulations, speed up drilling permits, assess duties on China if it doesn’t float its currency.	Spur jobs by eliminating corporate taxes for manufacturers, drill for more oil and gas and slash regulations. Cut tax on profits earned overseas from 35 percent to 5 percent. Extend current capital gains and dividend tax rates. Put aside “dream” of green jobs and focus on domestic energy production. Enact balanced budget amendment and reduce federal spending. Eliminate Dodd-Frank and 2002 accounting regulations. He says both enshrine “too big to fail” policies.



Republican presidential candidates speak about the economy during the CNBC debate two weeks ago in Auburn Hills, Mich.

Candidates differ on how to create jobs

Cain pushes 9-9-9; Romney wants revised tax code

By ED TIBBETTS
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It was nearly an hour into the CNBC debate among the Republican presidential candidates on the economy two weeks ago, and a national political analyst tweeted there hadn’t been a single confrontation.

There’s a good reason for that. For the most part, the candidates have mostly stuck to a recipe of lower taxes, free trade and less regulation in laying out their plans for the nation’s economy. But even though they’re mostly harmonious on the topic, there are some differences in how they propose to reshape the tax code, the degree to which they would change the government’s regulatory structure and how they would deal with renewable energy incentives.

A Cato Institute economist also says the records of some of the candidates indicate they aren’t as conservative as their rhetoric would indicate.

The Republican presidential candidates are making their pitches on the economy to a state that hasn’t suffered as much as most of the rest of the country, at least in terms of employment.

With a jobless rate at 6 percent, Iowa is three points lower than the nation. But in a state where the annual jobless rate has gone above

4.5 percent only twice between 1989 and 2008, the economy is a concern.

The two candidates who have polled the highest in Iowa lately — Mitt Romney and Herman Cain — offer a strikingly different approach to the economy.

Cain centers nearly all of his energy on his 9-9-9 plan, which would jettison most of the current federal tax code and set flat 9 percent rates on individual income, business income and on sales.

“My proposal is the only one that solves the problem by throwing out the current tax code, which has been a mess for decades,” he said during the CNBC debate.

A Brookings Institution study said it would raise taxes on most Americans, but Cain has rejected that.

Romney is more judicious with the tax code. He proposes lowering the corporate tax rate and extending the Bush-era cuts. But it isn’t as revolutionary as Cain’s plan. His 59-page economic plan, however, is more broad-based.

“Ultimately, I’d love to see — see us come up with a plan that simplifies the code and lowers rates for everybody,” Romney said during the CNBC debate. “But right now, let’s get the job done first that has to be done immediately. Let’s lower the tax rates on middle-income Americans.”

Meanwhile, Texas Gov. Rick Perry and ex-House Speaker Newt Gingrich have proposed optional flat tax plans.

Ron Paul criticizes today’s monetary system for devaluing the dollar. He’s also proposed dramatically cutting more than

25 percent out of the federal budget in a single year.

Nearly all the candidates have proposed ditching the Dodd-Frank financial industry regulations. Some go further and say they would end the accounting industry regulations created after the Enron failure in 2002.

And, of course, they all say they would kill the health care reform law they deride as Obamacare.

An expert in Iowa’s economy said he sees precious little in the GOP plans that get at the economy’s current problem — a lack of demand.

“It’s not a crisis of capital. It’s a crisis of consumption,” said Dave Swenson, an associate scientist in the economics department at Iowa State University. “To offer up an opportunity to reinvest in more capacity doesn’t lead to more jobs.”

Chris Edwards, an economist at the libertarian Cato Institute, rejects that view. He said the Obama administration’s approach the past two years has failed and companies have a choice where to invest, including at lower-cost locations overseas.

“There’s something else going on,” he said. “It’s about business fears. Investor fears about the future.”

Edwards said all the candidates have offered similar rhetoric, but in some cases, their records belie that. He singles out Romney and Gingrich.

An analysis by the conservative Club for Growth faults Gingrich, in particular, for heavily utilizing tax credits while in office, which it says allows the government to “pick winners and losers.”

Gingrich, on the other hand, has pointed to the years after Republi-

cans took over control of the House in 1994 — when he was their leader — as among the most prosperous in American history, citing a cut in the capital gains tax.

Romney, meanwhile, has been tagged for Massachusetts’ ranking fourth from last in job creation during his tenure. But the ex-governor has cited as strengths his business experience, stewardship of the 2002 winter Olympics and that the state moved from job losses to gains during his years in office. He also cites its improved fiscal condition, leading to a credit upgrade.

Some of the candidates have carefully targeted proposals that affect two of Iowa’s most integral industries — agriculture and manufacturing.

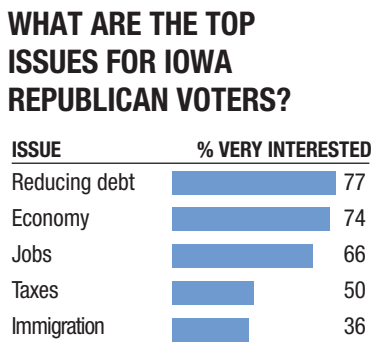
Former Pennsylvania Sen. Rick Santorum has proposed eliminating the tax on manufacturers.

Perry, meanwhile, would do away with ethanol subsidies, even the renewable fuels standard, which requires the use of a certain amount of ethanol in the nation’s fuel supply.

They say Perry’s plan will give the oil industry an advantage because it preserves its subsidies.

“The Perry energy plan is not good for Iowa’s economy or America’s security,” said Walt Wendland, president of the Iowa Renewable Fuels Association.

“I do not think it is the federal government’s business to be picking winners and losers and frankly on any of our energy sources,” Perry said earlier this month in Pella. He suggests leaving to states the option of investing in such sectors.



Source: Bloomberg News poll of 503 likely Iowa caucus-goers, Nov. 10-12. Margin of error: 4.4 percentage points. Percentage represents those who replied the issue was “critical.”

ONLINE

Want more? These websites have more details on the candidates’ plans for the economy.

MICHELE BACHMANN
★ FOR PRESIDENT ★

michelebachmann.com/issues/americanjobsrightnow

HERMAN CAIN
President 2012

Herman Cain
hermancain.com/999

NEWT 2012

Newt Gingrich
newt.org/solutions/jobs-economy

H
JON HUNTSMAN
PRESIDENT 2012

Jon Huntsman
jon2012.com/index.php/issues/jobs-economy
NOTE: Huntsman is not actively campaigning in Iowa

RON PAUL
2012
RESTORE AMERICA NOW

Ron Paul
ronpaul2012.com/the-issues/ron-paul-plan-to-restore-america

PERRY
PRESIDENT

Rick Perry
rickperry.org/cut-balance-and-grow-html

ROMNEY
BELIEVE IN AMERICA

Mitt Romney
mittromney.com/jobs

RICK SANTORUM

Rick Santorum
ricksantorum.com/news/2011/07/courage-fight-american-jobs

LETTER TO THE EDITOR

One idea
WILLIAM MC DERMOTT

CEDAR FALLS — So Dennis Clayton thinks he knows how liberals think and therefore is a supreme judge of how easy it is to be a liberal. However, last Sun-

day, he unwittingly disproved his theme. His weekly rant really exposed how dedicated liberals are to a plethora of issues.

There is nothing easy about maintaining your rights. There is nothing easy about working

people bargaining for a decent wage. There is nothing easy about making capitalism work for the middle class when neoconservatives call that kind of capitalism socialism. There was nothing easy about women gaining the right

to vote. There was nothing easy about the civil rights movement of the 1960s.

Well, I have been watching the clown car of Republican candidates during the dog and pony shows called Republican

debates. It is my turn to judge neoconservatives.

I think neoconservatives have it easy. All a neoconservative really believes is this one idea. I got mine, I want more and to heck with everyone else.

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SOCIAL ISSUES

Economy. That has been the buzzword this campaign season. The Republicans vying for the party’s presidential nomination have issued white papers, developed policy proposals and hosted forums on just about every aspect of economic policy possible, each hoping that his or her particular mix of fiscal mojo will resonate with voters.

But all of the talk about jobs, taxes, government regulation and stimulus has left them little time to push their agendas on traditional hot-button issues such as abortion, immigration and same-sex marriage.

And among the candidates competing in Iowa there are definite differences in their ideas as far as the authority of the federal government, the responsibility of the states and the role of morality in lawmaking.

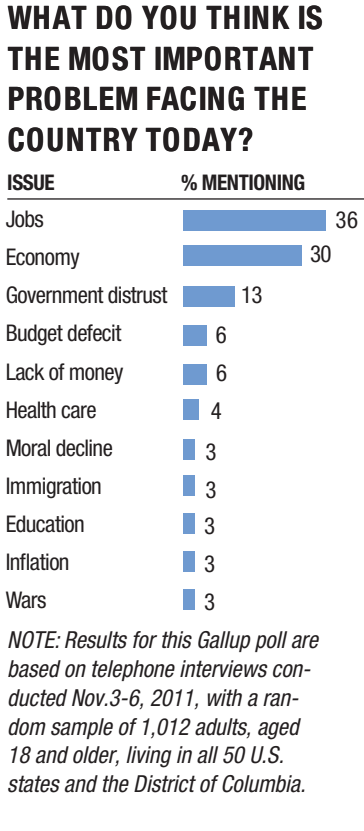
THE CANDIDATES’ VIEWS

 Bachmann	 Cain	 Gingrich	 Paul	 Perry	 Romney	 Santorum
ABORTION Anti-abortion. Supports a constitutional abortion ban. Wants the definition of persons to include unborn.	ABORTION Anti-abortion. Supports constitutional abortion ban.	ABORTION Anti-abortion. Would “like to explore” getting Congress to define life beginning at conception.	ABORTION Anti-abortion. Says abortion should be a state issue, not a federal matter.	ABORTION Anti-abortion. Supports constitutional abortion ban.	ABORTION Anti-abortion. Previously favored abortion rights. Says Roe vs. Wade should be overturned and the states should be able to make decisions on abortion.	ABORTION Anti-abortion. Supports constitutional abortion ban.
GAY MARRIAGE Supports constitutional amendment banning gay marriage.	GAY MARRIAGE Believes marriage between a man and woman should be protected by federal law.	GAY MARRIAGE Supports Defense of Marriage Act, which defines marriage as being between a man and woman but portions of it have been ruled unconstitutional and are under appeal.	GAY MARRIAGE Believes in traditional marriage, but the legalization or prohibition of it is a question best answered by the states.	GAY MARRIAGE Supports a constitutional ban on gay marriage.	GAY MARRIAGE Supports a constitutional ban on gay marriage.	GAY MARRIAGE Supports constitutional ban on gay marriage.
IMMIGRATION Favors a fence along the U.S.-Mexico border. Opposes government benefits for illegal immigrants and their children.	IMMIGRATION Says the border needs to be secure by “whatever means necessary.” He has joked that the U.S. should build a wall and a moat at the U.S.-Mexico border. Says states need to have more authority to handle the issue.	IMMIGRATION U.S. has to rethink its strategy in regard to its relationship with Mexico. Supports a way for illegal immigrants who have been here a long time some type of legal status that is short of citizenship.	IMMIGRATION Believes that the right to citizenship for the children of illegal immigrants should be repealed and supports aggressive deportation for those who overstay their visas or commit crimes.	IMMIGRATION Does not support a U.S.-Mexico border fence. Supports in-state tuition at state universities in Texas if they meet other residency requirements.	IMMIGRATION Favors fence on the U.S.-Mexico border. Opposes education benefits for illegal immigrants but supports expanding visa opportunities for students and professionals who seek or hold advanced degrees in mathematics, science and engineering.	IMMIGRATION Supports fence on U.S.-Mexico border. Says federal government should not require states to provide services to illegal immigrants.



Bob Vander Plaats, CEO of the anti-gay marriage and anti-abortion non-profit Family Leader, meets with supporters during an event in 2010 in Davenport when he was running for Iowa governor. Despite the fierce, loyal support of groups such as the Family Leader, social issues such as gay marriage and abortion don't rank high on lists of concerns among likely caucus voters.

John Schultz
QUAD-CITY TIMES FILE PHOTO



Hot-button issues are cold this year

Gay marriage, abortion take back seat to economy

By MIKE WISER
Quad-City Times Bureau

DES MOINES — Bob Vander Plaats, CEO of the anti-gay marriage and anti-abortion non-profit Family Leader, strode across the pulpit of First Federated Church in Des Moines and prepared to deliver a message to the thousands in the audience watching from the pews or from a streaming video feed.

Outside, demonstrators packed up their signs and dispersed into the church or the chilly November night. Some had held up signs of chopped-up fetuses, others had signs with biblical messages. But the largest group — about two dozen — was from the local Occupy movement. Their signs had messages about capitalism, Wall Street and the 99 percent.

The parking lot of First Federated serves almost as a microcosm of the political landscape of the country as a whole. There are activists who are committed to social issues such as gay marriage and abortion and see those as the most important issues of the 2012 election. But there are more people who worry about their jobs, making ends meet and what the stock market has done to the their 401(k) plans.

And right now, they have the ear of the presidential candidates.

“Presidential candidates tend to follow public sentiment, not the other way around,” said Den-

nis Goldford, a professor of politics and international relations at Drake University.

More than a third (36 percent) of the respondents to a recent open-ended Gallup poll, for example, picked unemployment/jobs as the biggest problem facing the U.S. The economy in general was second at 30 percent, and dissatisfaction with government was third at 13 percent.

The rest of the issues polled in single digits including social/moral decline and immigration, both which were at 3 percent. The traditional hot-button issues of abortion, same-sex marriage and immigration, it seems, haven’t been too hot this campaign season.

“I don’t feel slighted, I understand that most of the populace is concerned about the economy,” said Bill Tvedt, pastor of Jubilee Family Church in Oskaloosa.

Tvedt was among a group of three dozen Iowa pastors who took the stage with Michele Bachmann in October as the Minnesota congresswoman sought to reinforce her conservative Christian credentials with caucusgoers.

“To me, life is the main issue, everything else follows that,” he said. “But evangelicals understand the concerns of the economy. Evangelicals have to feed our families, too.”

The Republican candidates competing in Iowa — Bachmann, former Massachusetts Gov. Mitt Romney, Texas Gov. Rick Perry, U.S. Rep. Ron Paul of Texas, former Speaker of the House Newt Gingrich, businessman Herman Cain and former Pennsylvania Sen. Rick Santorum — are anti-abortion and against gay marriage.

And, with the exception of Perry, all take hard line on immigration, with several supporting building a wall on the U.S.-Mexico border and denying state benefits to illegal immigrants. Gingrich shook up a presidential debate last week with his comments on immigration as well.

“I don’t know if it’s necessarily a bad thing that (illegal immigration is) not part of the campaign at this point,” said Lori Chesser, a Des Moines immigration attorney and member of the Immigration Education Coalition executive steering committee. The coalition conducts research and provides briefs on immigration issues.

“I say that not because it’s not an important topic — it is a very important and complex one — but because the nature of political campaigns, these issues sometimes don’t get the thoughtfulness they deserve,” Chesser said.

It’s quite a difference from four years ago when then-President George W. Bush came under attack from the right for supporting a “pathway to citizenship” for illegal immigrants already in the country.

Voters called upon the Republicans and Democrats who were vying to replace Bush to discuss their ideas on immigration.

These days, however, immigration hasn’t been a major part of the debate, save for Perry having explain his support for the Texas Dream Act that provided in-state tuition benefits for illegal immigrants at state universities as long as certain other requirements are met.

Perry also has called building a complete fence on the U.S.-Mexico border “idiocy.” Bachmann,

Romney, Cain and Santorum have come out in favor of a complete border fence. Paul has said it’s appropriate to “do whatever it takes” to secure the border.

Gingrich also came under fire from his opponents when he suggested last week that illegal immigrants who have been in the U.S. a long time should be eligible for some type of legal status that is short of citizenship but allows them to stay with their families.

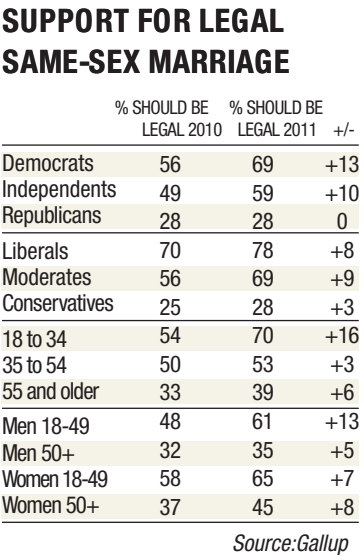
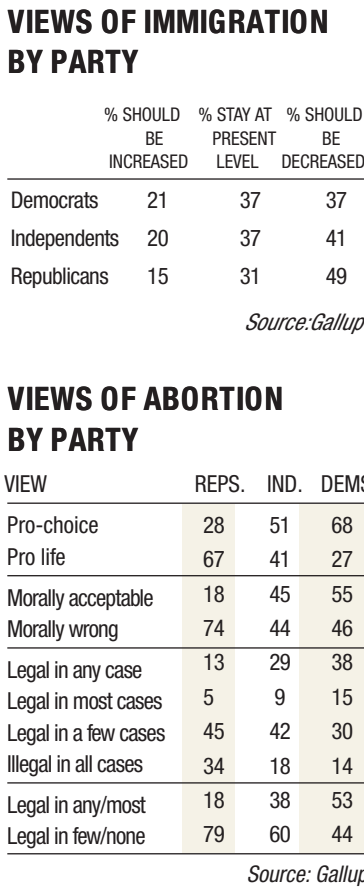
Chesser says immigration talk might become more prevalent as the campaign moves from Iowa and New Hampshire to other states, such as Arizona and New Mexico, where it’s seen as a more pressing issue.

In contrast, gay marriage is an issue that gets a lot of play in Iowa because of it being the first Midwestern state to legalize same-sex marriage and the fact that it was a court ruling, as opposed to an act of the Legislature, that allowed it.

All the Republican candidates say they believe that marriage should be between a man and woman. Bachmann, Perry, Romney and Santorum have come out in favor of a constitutional amendment banning same-sex marriage.

Iowa Sen. Roby Smith of Davenport, a freshman lawmaker who led the effort among a minority of Iowa senators this year for more restrictive abortion laws, said the presidential candidates aren’t ignoring hot-button social issues, they’re responding to the mood of the country.

“I’m conservative across the board, not just on one or two issues,” Smith said. “A lot of the conservatives I know are like that, too.”



Thank you for your vote
JON CREWS
Cedar Falls mayor

CEDAR FALLS — I would like to thank the citizens of Cedar Falls for another substantial vote of confidence in the Nov. 8 election. I felt all city races were contested in a professional way without personal attacks so often seen in many state and federal elections. All three mayor candidates presented our views and plans for Cedar Falls, and we all want what is best for our city.

I look forward to working with all our City Council members, city staff and many conscientious citizens to continue to improve our city. My message was things are going well but we can and need to keep getting better. Join us in that journey. It can be a great ride!